GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4250
ANSWERED ON:19.04.2002
CERTIFICATE TO MUTUAL FUNDS
SULTAN SALAHUDDIN OWAISI

Will the Minister of FINANCE be pleased to state:

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(a) whether the SEBI has extended the deadline for certification of large mutual funds;

(b) if so, whether all the agents selling Mutual Funds units are required to obtain Association of Mutual Funds of India certificate by March, 2003;

(c) if so, the detailed guidelines issued in this regard; and

(d) the extent in which this certification is likely to help in transparency for individual and corporate distributors for selling MFs?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : No, Sir. The Securities & Exchange Board of India (SEBI) have intimated that they have not extended the deadline for certification of agents and distributors of large mutual funds.

(b) As per the guidelines issued by SEBI on September 25, 2001, agents/distributors of all mutual funds are expected to pass the certification programme of the Association of Mutual Funds in India (AMFI) by March 31, 2003.

(c) & (d) With effect from November 1, 2001, SEBI made it mandatory for all mutual funds to appoint agents/distributors who have obtained certification from AMFI. Existing agents/distributors are expected to pass the certification programme by March 31, 2003.

Mutual funds were also advised to encourage their employees, particularly those involved in sales and marketing, to undertake the certification programme by December 2002. SEBI took these measures recognising the need for well trained agents and distributors and to professionalise the distribution channel.